

Message Text

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FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK

UNCLAS STATE 261342

E.O. 11652: N/A

TAGS: EGEN, UN

SUBJECT: REQUEST FOR INFORMATION ON TNC OPERATIONS AND
ACTIVITIES

REF: USUN A-770

FOLLOWING IS USG RESPONSE, KEYED TO ANNEX II, PARTS I AND
II OF UN DOC ECIII/2 (6-3).

1. FOLLOWINGS ITEMS ARE IN RESPONSE TO ITEMS I THRU VII
OF PARTS I AND II:

ITEM I: INFORMATION IS COLLECTED BY THE BUREAU OF ECONOMIC
ANALYSIS, U.S. DEPARTMENT OF COMMERCE.

ITEM II: MOST INFORMATION IS COLLECTED ON A PERIODIC
BASIS, EXCEPT AS NOTED BELOW.

ITEM III: THE FOLLOWING DATA ARE COLLECTED QUARTERLY:
BALANCE OF PAYMENTS INCOME, PARENT'S SHARE IN EARNINGS,
CAPITAL INFLOWS AND OUTFLOWS, AND FEES AND ROYALTIES.
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ANNUALLY: BOOK VALUE, AND--FOR U.S. INVESTMENT ABROAD--SALES AND FIXED CAPITAL FORMATION.

OTHER: PERIODIC BENCHMARK SURVEYS (PRESENTLY AD HOC); ALL OTHER FINANCIAL AND OPERATING DATA.

ITEM IV: DATA FOR THE TOTAL OF ALL ENTERPRISES ARE COLLECTED ONLY IN BENCHMARK SURVEYS WHICH ARE CONDUCTED PERIODICALLY. THE MOST RECENT ONE FOR INWARD INVESTMENT COVERED 1974; THE LATEST ONE FOR OUTWARD INVESTMENT COVERED 1966. CAPITAL FLOWS AND EARNINGS ARE COLLECTED QUARTERLY FOR A SAMPLE OF ENTERPRISES, AND BOOK VALUE IS CALCULATED ANNUALLY FOR BOTH INWARD AND OUTWARD INVESTMENT. ANNUAL DATA ON SALES AND CAPITAL EXPENDITURES BY FOREIGN AFFILIATES OF U.S. COMPANIES ARE COLLECTED FOR A SAMPLE OF MAJORITY-OWNED FOREIGN AFFILIATES; SUCH DATA FOR INWARD INVESTMENT ARE AVAILABLE ONLY FOR BENCHMARK SURVEY YEARS. NUMBER OF PERSONS UNEMPLOYED, SALARIES AND WAGES, IMPORTS AND EXPORTS, AND TAXES PAID ARE COLLECTED ONLY IN THE BENCHMARK SURVEYS FOR BOTH INWARD AND OUTWARD INVESTMENT.

ITEM V: YES, IN AGGREGATE FORM BECAUSE OF CONFIDENTIALITY CONSIDERATIONS AS EXPLAINED IN ITEM VI.

ITEM VI: ALL INFORMATION RELATING TO INDIVIDUAL COMPANIES

IS CONFIDENTIAL, INCLUDING THE NAME OF THE COMPANY.

ITEM VII: ALMOST ALL ITEMS MENTIONED, PLUS MANY MORE, ARE PRESENTLY COLLECTED.

2. FOLLOWING ARE IN RESPONSE TO ILLUSTRATIVE ITEMS, PART I:

THE U.S. GOVERNMENT COLLECTS THE FOLLOWING INFORMATION ON FOREIGN-BASED TNCS OPERATING IN THE UNITED STATES:

1. NUMBER OF ENTERPRISES WITH FOREIGN PARTICIPATION:

(A) YES: TOTAL NUMBER OF AFFILIATES OF WHICH 10 PERCENT UNCLASSIFIED

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OR MORE IS FOREIGN-OWNED;

(B) BY ACTUAL PERCENTAGE OF FOREIGN OWNERSHIP;

(C) YES;

(D) BY COUNTRY OF ORIGIN OF PARENT COMPANY;

(E) YES, BY 3-DIGIT CODE WHICH IS RELATED TO, BUT IS NOT IDENTICAL TO, SIC;

(F) YES;

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(G) NO.

2. BOOK VALUE OF FOREIGN AFFILIATES:

(A THROUGH E) YES.

3. NUMBER OF PERSONS EMPLOYED BY FOREIGN AFFILIATES:

(A AND B) YES;

(C) PRODUCTION/NON-PRODUCTION;

(D-G) YES.

4. SALARIES AND WAGES PAID, AND TRAINING PROVIDED BY FOREIGN AFFILIATES:

(A AND B) YES;

(C) PRODUCTION/NON-PRODUCTION;

(D-H) YES;

(I) NO.

5. GROSS FIXED CAPITAL FORMATION BY FOREIGN AFFILIATES:

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(A THROUGH F) YES.

6. SALES BY FOREIGN AFFILIATES:

(A THROUGH F) YES.

7. IMPORTS AND EXPORTS BY FOREIGN AFFILIATES:

(A THROUGH C) YES.

8. EARNINGS AND RATES OF RETURN OF FOREIGN AFFILIATES:

(A) PARENT'S SHARE IN NET INCOME PLUS INTEREST ON INTER-COMPANY DEBT;

(B THROUGH D) YES.

9. TAXES PAID BY FOREIGN AFFILIATES:

(A AND B) YES;

(C) INCOME AND SALES;

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(D) NO, ONE LUMP SUM;

(E) NO.

10. CAPITAL FLOWS ASSOCIATED WITH FOREIGN AFFILIATES:

(A THROUGH E) YES.

3. FOLLOWING ARE IN RESPONSE TO ILLUSTRATIVE ITEMS, PART II: (WE DO NOT HAVE, FOR STATISTICAL PURPOSES, A DEFINITION OF A TNC.)

THE U.S. GOVERNMENT COLLECTS INFORMATION ON U.S.-BASED TNCS OPERATING ABROAD:

1. NUMBER OF US-BASED TNCS OPERATING ABROAD. STATISTICS ARE COLLECTED ON TNCS OF WHICH 10 PERCENT OR MORE IS U.S.-OWNED.

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(A) YES;

(B) YES, BY 3-DIGIT CODE WHICH IS RELATED TO, BUT NOT IDENTICAL TO, SIC.

(C AND D) YES;

(E) NO.

2. NUMBER OF FOREIGN AFFILIATES OF TNCS:

(A) YES. AN AFFILIATE IS DEFINED AS A FOREIGN BUSINESS ENTERPRISE OF WHICH 10 PERCENT OR MORE IS U.S.-OWNED.

(B) BY ACTUAL PERCENTAGE OF U.S. OWNERSHIP;

(C THROUGH F) YES.

3. BOOK VALUE OF TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

(A THROUGH E) YES.

4. NUMBER OF PERSONS EMPLOYED BY TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

(A THROUGH C) YES.

5. SALARIES AND WAGES PAID, AND TRAINING PROVIDED BY TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND

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SEPARATELY):

(A) YES;

(B) NO.

6. GROSS FIXED CAPITAL FORMATION OF TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

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(A THROUGH E) YES.

7. SALES BY TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

(A THROUGH E) YES.

8. IMPORTS AND EXPORTS OF TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

(A THROUGH C) YES.

9. EARNINGS AND RATES OF RETURN OF TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

(A) YES. PARENT'S SHARE IN NET INCOME OF AFFILIATE PLUS INTEREST ON INTERCOMPANY ACCOUNT.

(B THROUGH E) YES.

10. TAXES PAID BY TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

(A THROUGH C) YES;

(D) INCOME AND SALES;

(E) NO. ONE LUMP SUM;

(F) NO:

11. CAPITAL FLOWS ASSOCIATED WITH TNCS AND THEIR FOREIGN AFFILIATES (CONSOLIDATED AND SEPARATELY):

(A THROUGH E) YES.

4. MISSION MAY INFORM TNC CENTER THAT ONCE A TNC (OR A FOREIGN AFFILIATE) HAS BEEN ASSIGNED AN INDUSTRY CODE, A COUNTRY CODE, AND ASKED THE PERCENTAGE OF OWNERSHIP, ITS LEGAL FORM, AND ITS YEAR OF ESTABLISHMENT, THEN ALL DATA UNCLASSIFIED

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PERTAINING TO THAT TNC (OR AFFILIATE) CAN, PER SE, BE CLASSIFIED BY THAT CODE, PERCENTAGE, ETC. THAT MEANS ALL ITEMS AFTER THE FIRST ITEM (I.E., ITEMS 2-11) CAN BE CLASSIFIED BY WHAT IS AVAILABLE IN THE FIRST ITEM. ALSO, CERTAIN DATA ARE COLLECTED ONLY FOR MAJORITY-OWNED AFFILIATES, PARTICULARLY FINANCIAL AND OPERATING DATA ON U.S. AFFILIATES ABROAD AT LOWER LEVELS OF DETAIL. KISSINGER

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